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## SUMMARY

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25X1A3. Taipei moves to strengthen defenses in Matsu island group:

The Chinese Nationalists are sending a full-strength infantry division to bolster defenses in the Matsu island group, according to a report from General Chase,

chief of MAAG on Formosa. The first elements of the new division were due to arrive in the islands on 28 February.

Another move to increase the strength of the Matsus is a shake-up of the present defense command, called 'not too strong' by Chase. The gradual evacuation of 11,000 civilians now living on the islands is 'probably' included in new defense plans.

Comment: The unit being sent to the Matsus is the American-trained-and-equipped 84th Division. Its arrival will bring more than 11,000 new regular troops to the Matsus, now held by about 4,000 regulars and 1,500 guerrillas. Regular troops now on the Matsus will be redeployed to Quemoy after the 84th Division arrives.

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	25X1A	The release from Communist China on 27 February of two American nationals, after 43 months' imprisonment on espionage charges, may presage the early	
		freeing of some others of the approximately 55 Americans whom Peiping admits holding.	
		The Chinese Communists were previously reported as seeking means of countering the unfavorable publicity surrounding the case of the 11 American airmen and two civilians sentenced as "spies" last November. The two Americans just freed appear to have been good choices for this purpose. Both have been emphatically pro-Communist in their public statements since their release and in particular defended Chinese Communist behavior toward imprisoned Americans.	
		SOUTHEAST ASIA	25X1A
	25X1A	5. Viet Minh utilizing tanks in specialized support division:	÷
		The Viet Minh has formed a "Support Division 305" having tanks, artillery, and engineer elements,	25X1
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		The American army attaché comments that the Viet Minh places great emphasis on its wartime experiences, especially at Dien Bien Phu, in the development of tactical doctrine and unit training. The formation of this highly mobile reinforcing division may be a result of these studies.	
		<u>Comment:</u> The possession of tanks, in clear violation of the Geneva agreement, marks a further step in the Viet Minh's continually improving military capabilities. It	
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is a logical development in the modernization program of the Viet Minh army which has been pursued vigorously with the help of illicit materiel from China since the cease-fire.

## **NEAR EAST - AFRICA**

25X1A	Saudi bitterness over Iraqi-Turkish pact imperils Dhahran air base agreement:
	Ambassador Wadsworth in Jidda believes that Saudi Arabia's bitterness over the conclusion of the Iraqi-Turkish defense pact endangers future Saudi-American
	relations. He fears that King Saud will soon raise the question of the American air base at Dhahran.

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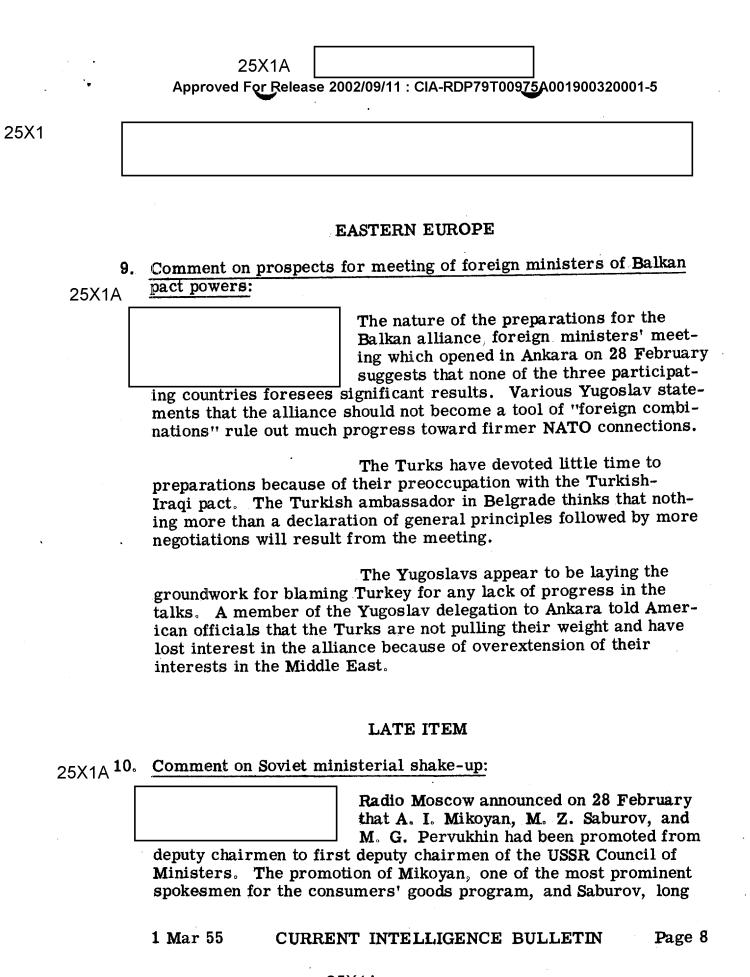
Foreign Minister Faisal told Wadsworth on 23 February that "we have lost confidence in the West," which is destroying Arab unity in the interest of Israel. The Saudi defense minister similarly criticized American policy.

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believed to be a Malenkov associate, indicates the continuing existence in top Soviet circles of political forces not under Khrushchev's complete control.

The promotion of these men does not, however, shed any light on Malenkov's status and leaves him as the only party presidium member with a government position below that of first deputy premier. It places him below such previously low-ranking presidium members as Pervukhin and Saburov.

Radio Moscow also announced the appointment of four new deputy premiers.—A. P. Zavenyagin, V. A. Kucherenko, P. P. Lobanov, and M. V. Khrunichev.

A. P. Zavenyagin, a career MVD official and a onetime deputy minister of the MVD, was also appointed minister of medium machine building, relieving V. A. Malyshev, who apparently retains his position as deputy premier and will supervise a group of ministries in the machine building field. The fact that Zavenyagin is one of the foremost administrators in the Soviet atomic energy program strengthens previous indications that the Ministry of Medium Machine Building probably has responsibility for atomic energy.

V. A. Kucherenko, first deputy chairman of the Moscow city executive committee, has made his career in building construction in the Ukraine and the Moscow area under Khrushchev.

P. P. Lobanov was formerly first deputy chairman of the Council of Ministers of the RSFSR and minister of agriculture of that republic.

M. V. Khrunichev served as USSR minister of the aviation industry from 1945 to 1953, when he became first deputy minister of the armaments industry. In both these posts he worked closely with Bulganin.

This move again emphasizes the importance of Soviet industrial and military preparedness, widens the circle of top leaders, and confirms the continuing influence within this top circle of the industrial and central planning specialists.

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